



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: MARCH 22, 2004

III. 1.
ITEM NUMBER:

**SUBJECT: DA-03-07 ANNUAL REVIEW OF SEGERSTROM CENTER FOR THE ARTS
DEVELOPMENT AGREEMENT (DA-00-03)
LOCATED EAST OF PARK CENTER DRIVE AND WEST OF THE AVENUE OF THE
ARTS BETWEEN SUNFLOWER AVENUE AND ANTON BOULEVARD**

DATE: MARCH 10, 2004

**FOR FURTHER INFORMATION CONTACT: KIMBERLY BRANDT, SENIOR PLANNER
(714) 754-5604**

DESCRIPTION

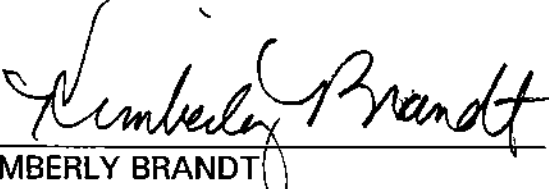
Annual review of the development agreement between the City of Costa Mesa and the Orange County Performing Arts Center and South Coast Repertory Theatre.

APPLICANT

Mr. Kerry Madden is the authorized agent for the Orange County Performing Arts Center and South Coast Repertory Theatre (OCPAC/SCR).

RECOMMENDATIONS

1. Based on the evidence in the record, recommend to City Council that it determine and find that the Orange County Performing Arts Center and South Coast Repertory Theatre have demonstrated good faith compliance with the terms and conditions of Development Agreement DA-00-03.
2. Recommend to City Council that future annual reviews of this development agreement be delegated to the Planning Commission.


KIMBERLY BRANDT
Senior Planner


R. MICHAEL ROBINSON
Planning & Redevelopment Mgr.


PERRY L. VALANTINE
Asst. Development Services Director

BACKGROUND

Segerstrom Center for the Arts is a sub area of the South Coast Plaza Town Center. See Figure 1. The 2000 General Plan designates the area as "Cultural Arts Center" and the corresponding zoning is "Town Center". In February 2001, the City Council approved General Plan Amendment GP-00-02, which resulted in the following entitlements for Segerstrom Center for the Arts. The City Council also amended the North Costa Mesa Specific Plan, adopted a preliminary master plan, and entered into the development agreement in conjunction with the general plan amendment.

MAXIMUM ALLOWABLE FAR	MAXIMUM BUILDING SQUARE FOOTAGE	AM PEAK HOUR BUDGET	PM PEAK HOUR BUDGET
1.67	815,285	246	984

In August 2001, City Council approved a 32,500 square-foot, 336-seat expansion of the South Coast Repertory Theatre; this expansion is now completed. In May 2003, Council approved the 5-story, 300,000 square-foot, 2,500-seat Orange County Performing Arts Center symphony hall. This new concert hall is currently under construction.

Section 3.5 of the development agreement requires a periodic review of the developer's performance of its obligations under the Agreement. This is the first review of the development agreement.

ANALYSIS

Development Agreement:

The purpose of this annual review is to determine if OCPAC/SCR has made a good faith effort to comply with the provisions of the development agreement, and to this effect, OCPAC/SCR has submitted a letter (see Attachment 2). Typically, this review focuses on the community benefits provided for by the developer. For DA-00-03, these benefits are described in Exhibit F (see Attachment 3). The following section summarizes OCPAC/SCR's progress in realizing these obligations.

Public Benefits.

1. **Cultural Benefits:** The following cultural benefits were identified:
 - Expansion of South Coast Repertory Theatre, which is now complete.
 - Construction of a 2,500-seat Symphony Hall, which is presently underway.

- Creation of a third arts-related venue in the future. The construction time frame is unknown, but OCPAC/SCR is required to improve this area as public open space within 90 days of issuance of the certificate of occupancy for the new symphony hall.
 - Creation of exterior plazas, promenades and assembly areas associated with both SCR and the new Symphony Hall. The SCR-related exterior improvements are completed, and the exterior improvements related to the Symphony Hall will be completed in conjunction with its construction.
 - New venues will create in Costa Mesa a performing arts complex that rivals the centers in New York, Washington, D.C., Los Angeles and Denver in importance and quality.
 - Upon completion of the new Symphony Hall, two of the ten best orchestral performance spaces in the world will exist in Costa Mesa.
2. **Open Space:** In September 2001, OCPAC/SCR, in cooperation with South Coast Plaza and the City, amended the Town Center open space easement to facilitate the expansion of the South Coast Repertory Theater and the new symphony hall and to make it a permanent open space easement.
 3. **Parking Agreements:** The agreement requires that adequate parking is available to the existing and future performing arts venues with the following provisions:
 - A shared parking analysis was approved for the entire South Coast Plaza Town Center area in conjunction with the approval of the final master plan for the SCR expansion (August 2001).
 - Requiring OCPAC/SCR to provide a parking discount to Costa Mesa residents attending a cultural arts venue, *if* OCPAC/SCR constructs a parking structure. To date, OCPAC/SCR has not proposed the construction of a parking structure.
 4. **Vacation of Town Center Drive and a Portion of Park Center Drive:** On February 2, 2004, Council approved the Town Center Drive Master Plan. This plan describes the improvements envisioned for these two streets and surrounding area. Implementation of this master plan is predicated on the vacation of Town Center Drive as a public street. The actual vacation will be processed as a subsequent request by the property owner.
 5. **Theater and Arts District:** OCPAC/SCR has fulfilled its obligation in preparing a Theater and Arts District Plan (TAD), which City Council approved on February 2, 2004. The TAD Plan provides a list of public

improvements to enhance the image and identity of the district that the property owners have committed to install and the implementation schedule.

6. **Traffic Mitigation (4 intersections):** The agreement requires improvements to the following intersections:

Intersection	Status
Bristol & Sunflower	Completed in conjunction with SCR expansion.
Fairview & South Coast	Completed in conjunction with SCR expansion.
Bristol & Paularino	City to determine construction timeframe.
Park Center & Sunflower	City to determine construction timeframe.

7. **Fire Protection Facilities:** In conjunction with new construction, OCPAC/SCR is obligated to pay \$0.285/square foot of new development. However, it should be noted that the City Council waived this fee for SCR expansion in August 2001.
8. **Traffic Impact Fee:** In conjunction with new construction, OCPAC/SCR is obligated to pay a traffic impact fee. However, as with the fire protection fee, the City Council waived this fee, which equaled \$41,800.50, for the SCR expansion in August 2001. OCPAC has requested that this impact fee (in the amount of \$597,000) be waived for the new symphony hall. Please note that this fee waiver request is not being considered in conjunction with this annual review. City Council will consider this fee waiver request at a future public hearing.

The City Attorney's Office and Transportation Services Division have also reviewed the development agreement and concur that OCPAC/SCR is in compliance with the terms of this Agreement.

Future Annual Reviews:

Current City policy requires both the Planning Commission and City Council to conduct the annual review on any development agreement. However, for the Automobile Club of Southern California development agreement, Council delegated the review authority to the Planning Commission at the request of the property owner for that particular agreement. At the Commission's recent annual review of the Segerstrom Town Center Development Agreement, the Commission recommended to Council that future reviews be delegated to them. City Council will consider Commission's recommendation on March 15, 2004.

Staff recommends that Council also delegate the future annual reviews of DA-00-03 to the Planning Commission. Staff recognizes that there may be circumstances

in which City Council review is warranted. In these instances, either the Planning Commission could forward the annual review to Council or Council could call up the development agreement for review at their discretion.

ALTERNATIVES

If the Planning Commission finds OCPAC/SCR is not in compliance with the Agreement's terms, evidence supporting that determination would be required.

CONCLUSION

Staff has reviewed the Agreement's terms and conditions and believes OCPAC/SCR is in compliance. The delegation of future annual reviews to the Commission will streamline the overall process.

- Attachment: 1. Vicinity Map
2. OCPAC/SCR correspondence
3. Development Agreement DA-00-03

File: 032204DA0307

Date: 3/3/04

Time: 3 p.m..

cc: Deputy City Manager - Dev. Svcs. Director
Sr. Deputy City Attorney
City Engineer
Fire Protection Analyst
Staff (4)
File (2)

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